

AN ORDINANCE

BY: FINANCE /EXECUTIVE COMMITTEE

**AN ORDINANCE TO AMEND THE CODE OF ORDINANCES IN ORDER TO PROVIDE THE ELIGIBILITY REQUIREMENTS FOR PURCHASE OF PRIOR SERVICE CREDIT BY FORMER MEMBERS OF THE FULTON COUNTY FIRE DEPARTMENT WHO TRANSFER TO THE CITY OF ATLANTA FIRE DEPARTMENT.**

**WHEREAS**, the impact from the deannexation of the City of Sandy Springs and the City of Johns Creek will result in a reduction of the workforce employed by the Fulton County Fire Department; and

**WHEREAS**, the City of Atlanta Fire Department expects to absorb into its workforce a significant number of Firefighters displaced from Fulton County; and

**WHEREAS**, the Board of Trustees for the City of Atlanta Firefighters Pension Fund desires to allow displaced Fulton County Firefighters the ability to purchase credit for prior years of service when joining the Atlanta Fire Department; and

**WHEREAS**, the valuation of the prior service credit is determined by the plan's engaged actuary; and

**WHEREAS**, no funds from the corpus of the Atlanta Firefighters Pension Fund will be used to facilitate this transfer; and

**WHEREAS**, purchase of the credit will be either through pre-tax dollars from roll over of the full actuarial value of an employee's account with the Fulton County Fire Department, future payroll deductions, or independent individual employee funds; and

**WHEREAS**, upon the condition of Fulton County agreeing to transfer the full actuarial value of the account for each transferring Firefighter, any excess increment above the actuarial cost of the credit will be rolled over into an individual retirement account.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA;**

**Section 1:** That Section 6-\_\_\_ of the Code of Ordinances, City of Atlanta Georgia, Related Laws Section (the 1978 Pension Act) is hereby amended as follows:

(1) **Defined terms –**

An “eligible roll-over plan participant” is any former Fulton County Firefighter rehired as a full-time firefighter by the City of Atlanta after June 1, 2007.

Prior eligible rollover employment is any employment as a full-time firefighter with Fulton County, Georgia prior to June 1, 2007.

(as defined in paragraph (2) below) may elect to have part or all of his “prior eligible employment” (as defined in paragraph (2) below) considered as creditable service under this plan in accordance with the provisions of paragraph (3) below. If such a participant becomes entitled to “prior eligible employment” by making the payment described in paragraph (4) below, then his “prior eligible employment” will count as creditable service for all purposes under the plan as if such employment had been served with the City of Atlanta.

- (2) For purposes of this section, an “eligible plan rollover participant” may elect to have part or all of his “prior eligible rollover employment” considered as creditable service under this plan in accordance with the provisions of paragraph (3). Credit for “prior eligible rollover employment” may be obtained through the purchase procedures contained in paragraph (3).
- (3) In order for an eligible plan participant to receive credit under this plan for part or all of his prior eligible employment, such participant must make an irrevocable “prior service contribution” to this plan in addition to any other contributions required from participating employees. The amount of the “prior service contribution” will be determined by the plan’s enrolled actuary as the actuarial present value of the additional benefit that is expected to accrue to the participant solely due to his “prior eligible employment.” In making such a determination, the actuary will use the same actuarial assumptions and methods that are used to determine the minimum required contribution due from the City for the 2007 plan year pursuant to Georgia Code section 47-20-10 and, furthermore, the determination will be made such that the City of Atlanta is not expected on an actuarial basis to be required to make any increased contributions due to the granting of such prior eligible employment to any participant. A participant electing to receive credit for part or all of his prior eligible employment must make the prior service contribution in the manner described in paragraph (4) below.
- (4) A participant must make his prior service contribution in one of the following methods:
- (a) As a single lump sum payment from the participant’s funds;

- (b) As a single lump sum paid directly from another pension fund that is qualified under Internal Revenue Code (IRC) section 401(a) or 457;
    - 1. Whenever the amount transferred from another qualified pension fund exceeds the cost of the prior service credit, the excess increment will be rolled over into an individual retirement account (IRA).
  - (c) As a series of level-dollar payments spread over a period of up to five years, where the amount of such payments are determined based on an amortization of the single lump sum payment otherwise required using an interest rate of 8.00% per annum;
  - (d) As a series of level-dollar payroll deductions spread over a period of up to five years where the amount of such payroll deductions are determined based on an amortization of the single lump sum payment otherwise required using an interest rate of 8.00% per annum; or
  - (e) In any combination of the methods described in (a) through (d) above.
- (5) A participant who terminates his employment with the City of Atlanta for any reason and who has not effected full payment for his prior eligible employment as set forth in paragraph (4) above will only receive creditable service for such employment in proportion to the payments actually made as determined by the plan's actuary using the actuarial methods and assumptions described in paragraph (3) above.

RCS# 1479  
10/15/07  
1:43 PM

Atlanta City Council

SPECIAL SESSION

CONSENT II

REFER

YEAS: 13  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 1  
EXCUSED: 0  
ABSENT 2

Y Smith	Y Archibong	Y Moore	Y Mitchell
Y Hall	Y Fauver	Y Martin	Y Norwood
B Young	Y Shook	Y Maddox	Y Willis
Y Winslow	B Muller	Y Sheperd	NV Borders

CONSENT II